KenGen
DC Scheme



KenGen POST RETIREMENT MEDICAL FUND (PRMF)

MEMBER INFORMATION BOOKLET



1. Introduction

Access to quality health care is a major challenge in retirement since as people advance in age, they become more liable to sickness resulting in need for frequent medical attention. Equally, the medical cover by the sponsor ceases immediately upon leaving service. Thus, the members start bearing the high medical insurance premiums associated with the age bracket from their monthly income(pension).

In response to this challenge, Kenya Electricity Generating Company PLC has established the KenGen Post Retirement Medical Fund (PRMF) for its staff, effective 1st November 2026. The fund will be a sub fund of the KenGen Defined Contributions (DC) Scheme 2012. The main aim of the PRMF is to **provide members in active employment with the opportunity to save now for their health care needs in retirement.**

The purpose of this booklet is to share the necessary information on PRMF with the members as we answer the very frequent questions to intensify wide understanding of the Fund.



2. What is a Post Retirement Medical Fund?

A Post-Retirement Medical Fund (PRMF) is a fund that allows members to save specifically for their healthcare expenses while in service for access after they retire from employer service.

3. Who is eligible to join the PRMF?

Staff of KenGen PLC may opt to contribute to the Post-Retirement Medical Fund for their medical care in the future.

4. How is Membership into the PRMF?

According to the PRMF rules, membership of the fund is voluntary thus, a member will make a personalized decision of joining the fund or not.

5. How Much is the contribute into the PRMF?

a. **Member contribution**
Contributions into the fund will be a minimum of Kes. 2,000 per month for the members who will join the fund. However, a member may contribute more than Kes.2,000 per month.

a. **Employer Contribution**
For the members who will join the fund, the employer will be contributing Kes.2,000 per month as well.

6. Are contributions into the fund tax free?

Contribution into a PRMF is tax free but capped at a maximum of Kes. 15,000- fifteen thousand shillings per month as per the Tax Laws (Amendments) Act 2024.

7. Are there other Options of funding the PRMF by a member?

Yes. Members who will not have achieved their contribution target by the time they are retiring, they may opt to transfer a maximum of 10% of their lump sum benefits into their PRMF account.

8. How will members contributions in the PRMF Grow?

Contributions received into the PRMF will be invested in different assets as specified by the Retirement Benefits Act thus, every year an investment return will be credited into the member account.

9. What will guide the members on their contribution target?

i. **Member Health History**
A member with frequent need to visit hospital may require more contributions into the PRMF.

ii. **Type of Medical Cover**
The need for superior medical cover will be coupled by more contributions into the PRMF since the medical benefits will be determined by the accumulated contributions.

iii. **Number of years to retirement**
Members with a few years to retirement may consider increasing their contributions since they have limited time to enable them to grow a substantive balance to meet their medical needs.

iv. **Members to be included in the Medical Options.**
Members who may be consider including their beneficiaries into the medical cover arrangement may require more contribution into the PRMF.

10. How will members access benefits from the PRMF?

A member can access the benefits in either of the following ways:

- Retaining the funds within the PRMF for the purpose of purchasing medical cover annually.
- Transferring the accrued amount to a medical cover provider.
- Purchasing an annuity for the purpose of paying annual medical cover premiums.

11. When are the benefits payable?

The benefits are paid in the event of retirement, death, withdrawal or in case of an illness resulting in inability to continue in employment.

a. **What benefit is payable on retirement?**
A member will access the funds to purchase medical cover through either of the options described in no. 10 above

b. **What if I resign or withdraw from employment before retirement?**
If you choose to leave employment before 50 years, you may retain the funds within the PRMF, use it for medical benefit, or transfer it to another post-retirement medical fund of your choice.

c. **What if I fall ill and cannot continue in employment?**
You will access your PRMF benefits as a medical cover.

d. **What benefit is payable on death in service?**
The nominated beneficiaries are entitled to receive a return of contributions plus interest. They may also choose to access PRMF benefits. Thus, you should nominate your beneficiaries.

e. **What happens in the case of death in retirement?**
Your nominated beneficiaries will be entitled to receive a return of your contributions plus interest. They may also choose to continue accessing PRMF benefits.



Scan for Joining form:

More Information?

Kindly reach out to our dedicated team for further clarifications about the PRMF through the following communication channels.

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0711036917 or 0711036298 or 0711035355

Disclaimer. The booklet is not a legal document since it does not cover every aspect of the fund as defined in the fund Trust Deed and Rules which supersedes the booklet.